

## Year-end report 2020

**Eastnine demonstrates highest profit ever after a considerable increase in profit from property management as well as positive unrealised value changes in properties and investments. Growth in the property portfolio accounts for the increasing profit, with contributions from higher rent levels and economies of scale.**

### **The period January-December 2020**

- Rental income increased by 44 per cent to EUR 19,186k (13,348). The increase is primarily attributable to a larger property portfolio, but also due to a higher rent level. In a comparable portfolio, rental income increased by 5 per cent.
- Net operating income increased by 46 per cent to EUR 17,497k (11,946).
- Profit from property management increased by 82 per cent to EUR 10,011k (5,489).
- Unrealised value changes amounted to EUR 30,044k (26,944). Of this change, EUR 17,383k (10,208) is attributable to real estate, EUR 13,443k (17,742) to investments and EUR -782k (-1,006) to derivatives.
- Profit/loss for the year amounted to EUR 36,155k (35,266), corresponding to EUR 1.70 per share (1.66).
- The average rent level amounted to EUR 14.9 per sq.m. per month (14.7) and the occupancy rate to 92.6 per cent (92.7). Net letting amounted to EUR -771k. The average rent level on newly signed agreements amounted to EUR 15.7 per sq.m. per month, and on renegotiated agreements to EUR 15.3.
- The Board of Directors proposes a dividend of 3.00 SEK per share (2.70), with payments distributed evenly on four occasions in May, August and November 2021, and February 2022.

### **Key events during the fourth quarter**

- Unrealised value changes amounted to EUR 36,869k (16,534) in the fourth quarter, of which EUR 14,997k (3,914) is attributable to real estate, EUR 21,981k (11,918) to investments and EUR -109k (702) to derivatives.
- The property Vertas-1 in Vilnius obtained LEED Platinum certification.
- A new business plan and new targets were established. The property portfolio shall double, reaching a total of EUR 700m, by the end of 2023.
- One million repurchased shares were sold. The resulting cash is to be used for property acquisitions.
- Eastnine reached the top 20-percentile and received five stars in GRESB's annual sustainability rankings of real estate companies globally.

### **Events after year-end**

- No significant events have occurred after the end of the year.



## CEO comment in brief

### Highest profit ever

**Earnings in 2020 reached record levels after a considerable increase in profit from property management and large positive unrealised value changes to properties as well as to the investment in Melon Fashion Group (MFG). The coronavirus pandemic has impeded and delayed some transactions, but has only caused minor loss of revenue. In accordance with the new business plan, our growth trajectory is set to continue in 2021.**

Eastnine presents record earnings in 2020. The profit from property management has nearly doubled and unrealised value changes, in properties as well as to the investment in MFG, amount to considerable sums. Naturally, a large part of the increase in profit from property management is attributable to growth in the property portfolio, but there are also evident economies of scale contributing. Out of the increase in rental income this year, 95 per cent went straight to net operating income and 77 per cent to the profit from property management. The impact of economies of scale is also evident when comparing the increase in rental income, amounting to 44 per cent, with the change in profit from property management, which increased by 82 per cent. This is the reason why continued growth in Eastnine's property portfolio is so important. In 2020, the Board of Directors decided on a new plan for the coming three years, establishing that the property portfolio is to be doubled in order to attain the over arching goal of delivering high total returns to shareholders.

We are proud of the achievements we've made, and will continue our passionate efforts in 2021. We have a number of vacancies to fill; construction of the Pine in Riga, the Baltics' first wooden office building, will begin; and many interesting acquisition opportunities are to be evaluated - so that our growth journey can continue.

Kestutis Sasnauskas  
CEO

The report is presented via Teams live by Kestutis Sasnauskas, CEO of Eastnine, and Britt-Marie Nyman, CFO and Deputy CEO Wednesday, February 17, 2021, 10.00 CET.

Please join the event a few minutes before the presentation begins. Presentation materials will be available at [www.eastnine.com](http://www.eastnine.com) 15 minutes before the start of the webcast. Click [here](#) to see to the webcast. A recording of the webcast will also be available afterwards on the company's website.

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*Eastnine AB is a Swedish real estate company with a property value of EUR 372m and a long-term net asset value of EUR 324m as of 31 December 2020. Eastnine's vision is to create and provide prime venues where ideas can flow, people can meet, and successful business can be developed. The mission is that Eastnine shall be the leading long-term provider of modern and sustainable office premises in prime locations in the Baltic capitals. Eastnine is listed on Nasdaq Stockholm Mid Cap, sector Real Estate.*

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